

Richard O. Cunningham  
202.429.6434

**PUBLIC DOCUMENT**

January 15, 2002

**Via E-mail to FR0001@USTR.gov**

Gloria Blue, Executive Secretary  
TPSC, Office of the U.S. Trade Representative  
600 17th Street, N.W.  
Washington, DC 20508

**Re:    Exclusion of Texture Rolled Carbon Steel ("TRC") from  
Potential Trade Restrictions on Cold-Rolled Carbon Flat Steel**

Dear Ms. Blue:

These comments on Presidential action under section 203 of the Trade Act of 1974 are filed on behalf of our client AvestaPolarit Oy and its subsidiaries and affiliates, which include domestic and foreign producers, importers and purchasers of certain stainless and carbon steel products (collectively, "AvestaPolarit").

On November 12, 2001, AvestaPolarit advised<sup>1</sup> the TPSC that TRC steel should be excluded from any trade restrictions imposed on cold-rolled carbon flat steel. That letter also advised that TRC is necessary for the manufacture of seat belt retractor springs that meet the performance regulations of the Department of Transportation's Federal Motor Vehicle Safety Standards ("FMVSS").<sup>2</sup> AvestaPolarit further explained that **no U.S. steel producer manufactures TRC steel.** The only U.S. producer capable of producing TRC steel has not been able to produce commercial quantities that meet the FMVSS **and that company does not object to the exclusion request.**<sup>3</sup>

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<sup>1</sup> See Letter to Gloria Blue from Richard O. Cunningham, dated November 12, 2001, posted on the USTR website at exclusion request X-013 ("TRC Exclusion Request").

<sup>2</sup> TRC Exclusion Request at pages 7 – 9 and Exhibits 4 – 7.

<sup>3</sup> See attached excerpt from ITC Posthearing Injury Brief of the Association of Cold Rolled Strip Steel Producers, dated September 28, 2001, footnote 13, in which Theis Precision Steel states that it "is the only U.S. producer of cold-rolled textured strip steel for these applications, but Theis does not object to excluding these products."

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AvestaPolarit notes that the only domestic producer comments on the TPSC record in connection with TRC steel are from companies that do not manufacture TRC steel.

First, the comments of Bethlehem Steel Corporation and others, filed by Dewey Ballantine LLP and Skadden, Arps, Slate, Meagher & Flom LLP, raise a question regarding the TRC exclusion request.<sup>4</sup> These domestic companies stated that the TRC exclusion request was “inadequate because the product description does not include basic information such as chemical composition (other than carbon content), cleanliness specifications, gauge and surface quality characteristics.”<sup>5</sup> It is important to note that the Dewey/Skadden comments did not state that the product is available from any domestic producer because **the companies represented by Dewey/Skadden do not produce TRC steel.** In addition, the information requested by Dewey/Skadden was on the record before the ITC and was submitted to the TPSC by AvestaPolarit’s U.S. customer, Kern-Liebers USA, Inc.<sup>6</sup> Unfortunately, Kern-Liebers’ TPSC filing was sent by U.S. mail and was not available on the USTR internet website at the time that Dewey/Skadden filed its comments. On December 13, 2001, Kern-Liebers provided a separate letter to Dewey/Skadden containing all the information requested.<sup>7</sup> Kern-Liebers’ letter fully satisfies all the information requested by Dewey/Skadden.

Second, in the comments of Schagrin Associates, filed on behalf of the Minimill 201 Coalition (Flat Products) and several other domestic producers, these companies state that they “object” to the exclusion of TRC.<sup>8</sup> Unlike the other exclusion objections made by this group of domestic producers, the comments on TRC steel do not state that the objection is made because the product is “available domestically” or because a domestic company is “able to make this product.” That is because **the companies represented by Schagrin Associates do not produce TRC steel.** In a telephone conversation on January 14, 2002 with Sherrie M. Waldrup, a Litigation Assistant at Schagrin Associates, we were advised that **this TRC objection was in error and will be withdrawn** in a Schagrin Associates filing at the TPSC scheduled for January 16, 2002.

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<sup>4</sup> See comments dated December 5, 2001, at Cold-Rolled Exclusion Requests, page 3 (“Dewey/Skadden comments”) posted on the USTR website at ER-068.

<sup>5</sup> Id.

<sup>6</sup> See Kern-Liebers’ request for exclusion of TRC, filed by Porter Wright Morris & Arthur LLP, dated November 12, 2001, posted on the USTR website at ER-072.

<sup>7</sup> See attached letter from counsel for Kern-Liebers to Dewey/Skadden.

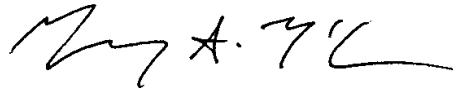
<sup>8</sup> See comments dated December 7, 2001, at page 51-52.

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Since TRC is critical for the U.S. production of seat belt retractor springs that comply with federal highway safety regulations, and because the only potential U.S. producer of TRC steel does not object to the requested exclusion, TRC steel should be excluded from any Presidential action under section 203 that would restrict imports of cold-rolled carbon steel flat products.

Please do not hesitate to contact the undersigned if you have any questions regarding this submission.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. O. Cunningham" followed by a flourish, and "G. S. McCue" below it.

Richard O. Cunningham  
Gregory S. McCue

Counsel for AvestaPolarit

The Only Potential U.S. Producer  
of TRC Steel  
Consents to the Exclusion

ADDUCI, MASTRIANI & SCHAUMBERG, L.L.P.

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\*ADMITTED TO A BAR OTHER THAN D.C.

FILE COPY

September 28, 2001

PUBLIC DOCUMENT

VIA HAND DELIVERY

Donna R. Koehnke, Secretary  
U.S. International Trade Commission  
500 E Street, S.W.  
Room 112  
Washington, D.C. 20436

Re: Certain Steel Products, Inv. No. TA-201-73

Dear Ms. Koehnke:

Pursuant to the Scheduling of Public Hearing for the Injury Phase of the Investigation, 66 Fed. Reg. 46,469, (September 5, 2001) as amended by, Change in Scheduled Date for Posthearing Briefs on Injury, 66 Fed. Reg. 47,686 (September 13, 2001), we hereby submit our posthearing brief in the above-referenced investigation on behalf of the Association of Cold Rolled Strip Steel Producers ("ACRSSP"). Because

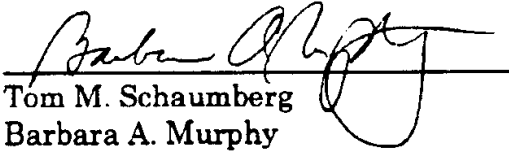
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Donna R. Koehnke, Secretary  
September 28, 2001  
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this brief contains no Business Proprietary Information, only a public version of the brief will be filed.

In accordance with 19 C.F.R. § 206.8, enclosed are the requisite certifications.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Barbara A. Murphy", is written over a horizontal line.

Tom M. Schaumberg  
Barbara A. Murphy  
Mark R. Leventhal  
Adduci, Mastriani & Schaumberg, L.L.P.  
1200 Seventeenth Street, N.W.  
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(202) 467-6300

Counsel for Association of  
Cold Rolled Strip Steel Producers

BEFORE THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D.C.

CERTAIN STEEL PRODUCTS

Inv. No. TA-201-73

PUBLIC DOCUMENT

POST-HEARING BRIEF OF THE ASSOCIATION  
OF COLD ROLLED STRIP STEEL PRODUCERS

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Counsel for Association of  
Cold Rolled Strip Steel Producers

Date: September 28, 2001

the requests, SAGA has chosen to place what limited specificity it did provide in the confidential attachment to the brief, which prevents U.S. producers from making an informed response as to the legitimacy of the requests. At a minimum, SAGA should be required to declassify the detailed specifications of these requests to facilitate discussion of these requests.

Although the sixteen items listed in the footnote on page 9 of SAGA's brief lack proper identification of the specifications, they can all be produced domestically. Theis Precision Steel has the capability and capacity to produce items 1-7 and 10-16. Thompson Steel has both the capability and the capacity to produce items 4-16. In fact every member of the Association, as well as other U.S. producers, manufactures items 12-16, SAE Grades 1074, 1065, 1045, 1006 and 1008. Specifically, Blair, Ceda Mills, Cold Metal Products, Duferco, Rome, Steel Tech, Stripco, Thomas, Thompson, Theis, Whittar, Worthington and Zapp all produce these grades on a regular basis.

The Association's position regarding certain individual requests is set forth below, although the absence of a statement on any individual product should not be taken as consent to exclude the products.<sup>13</sup> The Association has attempted to collect information on all the requests, but that process is ongoing.

1. With regard to cold rolled strip steel for measuring tapes (No. 3), this product is produced in the U.S. by Cold Metal Products, Zapp USA.

<sup>13</sup> One exception is the first two products on SAGA's list: Sorbitex and cold-rolled textured strip steel for retractor springs. Theis Precision Steel is the only U.S. producer of cold-rolled textured strip steel for these applications, but Theis does not object to excluding these products.





## Kern-Liebers Letter to Dewey/Skadden

**EXHIBIT B****PORTER WRIGHT MORRIS & ARTHUR LLP**

Attorneys &amp; Counselors at Law

Leslie Alan Glick  
202-778-3022  
lglick@porterwright.com

1919 Pennsylvania Avenue N.W.  
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Washington, DC 20006-3434

Facsimile: 202-778-3063  
Toll Free: 800-456-7962

December 13, 2001

**CONFIDENTIAL APO MATERIAL DELETED**

Alan Wm. Wolff  
Dewey Ballantine LLP  
1775 Pennsylvania Ave., N.W.  
Washington, D.C. 20006

Robert E. Lighthizer  
Skadden, Arps, Slate, Meagher & Flom  
1440 New York Ave., N.W.  
Washington, D.C. 20005

Re: Certain Steel Products TA-201-73

Dear Messrs. Wolff and Lighthizer:

We represent Kern-Liebers USA, Inc. ("Kern-Liebers"), a party to the above referenced case. Kern-Liebers imports a highly specialized product from Germany and the United Kingdom known as Textured Rolled Carbon Steel (or "TRC"). Kern-Liebers also purchases the product from AvestaPolarit, a supplier in the United Kingdom. Its supplier in Germany, Kaltwalzwerk Brockhaus GmbH refers to this product as "Sorbitex." TRC is used to produce springs for seat belt produced in the automotive industry and is [

]

We are writing to you in regard to your letter of December 5, 2001 to Gloria Blue at the U.S. Trade Representative ("USTR") office submitting your comments on exclusion requests. I noted that you did not comment on the exclusion request submitted by Kern-Liebers to the USTR on November 12, 2001. I suspect it is because, although we filed a copy by mail, as provided in the USTR Federal Register notice, that we did not file an electronic copy and thus, you have not see our brief listed on the USTR website. A copy of the confidential version is enclosed, for which we requested confidential treatment by USTR under 15 C.F.R. section 2003.6.

You did submit comments on the exclusion request submitted by AvestaPolarit in the United Kingdom (see page 3 of your submission, "Cold Rolled Exclusion Requests"). AvestaPolarit is one of two producers of the product that Kern-Liebers imports. You commented in that "this product exclusion request is inadequate because the product description does not include basic information such as chemical composition (other than carbon content), cleanliness specifications, gauge and surface quality characteristics." *See Id.*

We wish to call to your attention that in our case brief filed with the U.S. International Trade Commission ("ITC") in this case on October 24, 2001, Exhibit I to Exhibit E, Kern-Liebers did provide the complete chemical composition of TRC which would be identical to the information requested in your comments to USTR, as well as information on thickness and microscopic inclusion levels - which should address your concerns about gauge and surface quality. A copy of Exhibit I which was attached to our October 24, 2001 brief at the ITC is also attached hereto for your ready reference.

In addition, Kern-Liebers wishes to supply the following additional information for your consideration:

Cleanliness - According to Kern-Liebers engineers in Germany, TRC is a steel produced to a "super clean inclusion standard with OG being less than 27 microns."

Surface Condition - Surface finish is bright, free of roll marks, scratches, notches and cracks. Longitude surface lines maximum 0.003mm (RT - measurement method) for thickness of less than 0.66mm and 0.005mm for thickness over 0.60mm. Free of complete decarburization.

Gauge - We are assuming you mean thickness. This information was provided in the submission to the ITC on October 24, 2001 in the attached Exhibit I.

We are happy to provide further information on specifications if you require.

We hope that in view of this new information you will reconsider your objections to AvestaPolarit's exclusion request and those of other TRC exporters and importers and also advise USTR that Kern-Liebers has submitted the necessary information to you and that you have no objection to the Kern-Liebers exclusion request.

We understand your concerns for your clients; however none of your clients produce the product (TRC) imported by Kern-Liebers. Kern-Liebers in its briefs has indicated that it has approached domestic producers in the past about producing TRC, but they were not interested because it was a small volume product and the tooling costs would be proportionally too high. Therefore, we see no reason why the clients you represent, who are the petitioners in this case, should object to Kern-Liebers' exclusion request. Kern-Liebers, although an importer of TRC, is in fact a domestic producer of seat belt retractor springs and employs a significant number of union employees. Its products are needed by the automotive industry and there are no alternative sources for the imported steel that Kern-Liebers must use. I am sure you are aware that the

automotive industry itself is in a downturn situation and, therefore, actions that would adversely affect their suppliers of strategic materials would also not be in the best interests of the U.S. economy. Since your clients do not produce this product, and I am sure it is not your client desire to take an anticompetitive position by trying to exclude products that they do not produce, we hope you will consider advising USTR that you do not object to the exclusion request submitted by my client Kern-Liebers and its suppliers.

Please let me know if you have any questions. We have reviewed this letter with counsel for AvestaPolarit and we both would be happy to meet with you to discuss this further.

Sincerely yours,

Leslie Alan Glick

Enclosures

**EXHIBIT A****NON-CONFIDENTIAL****Technical Information on TRC****Submitted to the ITC on October 24, 2001****(Exhibit I to Exhibit B)**

"The specifications required are as follows:

25.0-25.3M

Chemical Analysis:

Carbon	.65-.95
Si	0.30 max
Mn	0.55% max
P	0.02% max
S	0.008% max
CR	0.15% max
Cu	0.12%

Micro-scopic inclusion level to DIN 50602 Rev. 9/85, section 1 SS max 3  
OA, OS max 1  
OG max 2

Thickness range  
0.10mm to 2.00mm

Band width under 200mm

Tensile Strength:

Thickness range: 0.10mm-0.18mm- 2300 to 2500 Nmm/2  
0.19mm-0.25mm- 2250 to 2470 Nmm/2  
0.26mm-0.79mm- 1900 to 2400 Nmm/2  
0.80mm-2.00mm- 1750 to 2250 Nmm/2."

*This is a quote from a letter of Leslie Glick, counsel to Kern-Liebers, to the Department of Commerce dated January 25, 1993, attached to Kern-Liebers' case brief filed on October 24, 2001 in the ITC steel investigation (part of Exhibit B).*

**NON-CONFIDENTIAL**